to farmers, and I have said given the macro-economic condition, we will do our best.

As far as the price of loans for tractors, for bore-wells, etc. are concerned, these are not regulated and these are dependent upon the risk assessment by the farmer. But, as I know, loans are available at reasonably competitive rates for tractors and for implements and, that is why, I can give the figures, there is a large amount of lending today to buy tractors and other agricultural implements. *(Interruptions)*

MR. CHAIRMAN: Question Hour is over.

## WRITTEN ANSWERS TO STARRED QUESTIONS

### Impact of price determination policy of petroleum products

† *42.DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to the policy for determination of prices of petroleum products in the country the profit of product selling companies decreases, the consumer has to pay more and Government receive more revenue by way of taxes;

(b) if not, what are the facts in this regard; and

(c) the losses suffered by the companies and by the consumers on account of rise in prices and the profit earned by Government due to rise in the revenue during the first nine months of the year 2005-06?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) to (c) The combined profits of public sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation, Hindustan Petroleum Corporation, Bharat Petroleum Corporation and IBP Ltd., have declined from Rs.10,818 crores in financial year 2003/04 to Rs. 7,193 crores in financial year 2004/05. During the current year, they have incurred losses of Rs. 2,898 crores in the first nine months.

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† Original notice of the question was received in Hindi.

Only marginal changes in domestic LPG prices, the last being in November, 2004, have been made by OMCs while no changes have been made in the selling prices of PDS kerosene since April, 2002. Consumer prices of petrol and diesel also have not increased in line with international prices. A table showing the impact of increase in international prices compared with increase in domestic prices of these products since March, 2002 is given below:

| Period | Petrol | Diesel | Kerosene | LPG |
|---|---|---|---|---|
| International Price | $/bbl | S/bbl | $/bbl | $/MT |
| March 02 | 26.43 | 23.27 | 23.65 | 194.00 |
| Feb 06(upto15th) | 63.14 | 62.33 | 73.13 | 625.00 |
| % Increase | 139% | 168% | 209% | 222% |
| Retail Price at Delhi | Rs/Ltr | Rs/Ltr | Rs/Ltr | Rs/Cyl |
| On 31.3.02 | 26.54 | 16.59 | 8.98 | 240.45 |
| 16.2.2006 | 43.49 | 30.45 | 9.05 | 294.75 |
| % Increase | 64% | 84% | 1% | 23% |

The revenues earned by the Government from the petroleum sector from 2002-03 are as under:

(Rs. in crores)

| Year | Customs Duty | Excise Duty | Total |
|---|---|---|---|
| 2002-03 | 9,166 | 35,961 | 45,127 |
| 2003-04 | 10,582 | 40,151 | 50,733 |
| 2004-05 | 13,250 | 43,145 | 56,395 |
| 2005-06 (April-December) | 8,587 | 37,454 | 46,041 |

Notwithstanding the steep rise in international prices of petroleum products, public sector Oil Marketing Companies (OMCs)have been modulating the price increase in petrol, diesel and domestic LPG besides maintaining the prices of PDS kerosene, in consultation with the Government.

In order to compensate the OMCs on account of non-realisation of the increased prices from consumers, Government have decided in principle to issue oil bonds to the OMCs for Rs. 11,500 crores.